

Contrary to the GCI's assertions, Staff contends that PA 92-22 only strengthens its view given that (a) Section 13-502.5(b) declares retail business services to be competitive immediately and removes all pricing constraints from these services in June 2005; and (b) under Section 13-502.5(c) vertical services are declared competitive as of June 1, 2003. 220 ILCS 5/13-502. In Staff's view, the GCI ineffectively attempt to demonstrate that the General Assembly wanted the Commission to conduct an earnings review by pointing to statutory provisions which serve to move the state ever further from traditional earnings-based regulation.

Staff maintains that the new statutory amendments evidence the General Assembly's intent that the market, not regulators, should set prices for more and more telecommunications services. According to Staff, the GCI take the illogical view that while the General Assembly wants to let market forces set the prices for competitive services, it would, at the same time have regulators examine the earnings derived from those services. This makes no sense to Staff.

Staff further notes that the General Assembly ordered \$90 million in refunds for consumers of business services that may have been prematurely classified as competitive. 220 ILCS 5/13-502.5 (d). It did not, Staff maintains, derive this figure from an examination of AI's earnings, nor did the General Assembly legislate any price cuts for the services to bring AI's future earnings to a level consistent with what GCI believes to be an appropriate cost of capital. So too, Staff points out that the rate requirement for businesses with fewer than five lines as proscribed in Section 13- 502.5 (b) again signifies the concern with prices – not revenues or expenses, or investments in those services.

All of these actions and inactions, Staff contends, demonstrate that the General Assembly is not focused on earnings derived from services declared competitive. The focus, Staff maintains, and the General Assembly's express concern, lies with the prices for such services. The utter and complete absence of anything in PA92-22 directing the Commission to review any alternative regulation company's earnings or taking account of earnings, indicates to Staff that the GCI position should be rejected in its entirety.

### **Commission Analysis and Conclusion**

In an earlier section of this Order, we observed that fair, just and reasonable rates are not necessarily a function of earnings under the Plan which has prices as its main focus. The GCI/City cannot seem to break away from the idea that earnings, such a integral part of ROR regulation, do not hold the same prominence under alternative regulation.

The GCI/City believe that the Commission is obligated to reinitialize the Company's rates, because it did just that in 1994. And, as in 1994, CUB and the AG have filed a rate relief complaint to that effect. According to the GCI/City, the failure to

reinitialize rates at the start of any new plan ensures that the going-in rates are not just and reasonable. Indeed, their arguments repeatedly refer to a "new" plan or the "establishment of a plan." In all their contentions, the GCI/City fail to realize that this is not a "new" plan, and certainly not in the sense that our 1994 Order established a "new" plan.

What was a rational and necessary move by the Commission at the initiation or the "establishment" of the Plan, when AI was still under ROR regulation, is not viable at this juncture where ROR has long been abandoned in favor of alternative regulation. This is underscored by the evidence showing that rates have declined under the Plan's operation which means that the formula has worked to our expectations. ~~Rate reinitialization on the basis of earnings might be realistic if those earnings were outside the zone of reasonableness. They are not.~~

To be sure, if the Commission was considering a switch to an entirely different type of plan, with a new and different set of components, the GCI/City position might have some validity. That, however, is not the case. Each and every one of the proposals before us addresses the Plan much as it is, with only relatively modest adjustments thereto. Thus, the attempt by the GCI/City to compare the Commission's 1994 action in setting rates for the initiation of the Plan to the instant situation where we review the continuing operation of the Plan to make it better and more responsive, is unavailing.

We cannot help but note that the GCI assertions for an earnings review and corresponding rate reinitialization in this instance were foreshadowed by the arguments that were presented to the Court in its review of the Alt Reg Order, to wit:

CUB asserts, without support, that the original purpose of the Act was to protect 'the public from public utilities charging rates that produce excess profits.' CUB argues that Section 13-506.1 'subverts' this original purpose. Illinois Bell Telephone Company v. Illinois Commerce Commission, 283 Ill.App.3d 188 at 202, 669 N.E. 2d 919 (2d Dist.1996).

In response thereto, the Court reasoned that:

Assuming arguendo that CUB is correct about the purpose of the Act and its "subversion" by Section 13-506.1, this does not render Section 13-506.1 beyond the state's police power... The police power provides the authority to legislate for the public good; it does not specifically define the public good or the manner in which the legislature should act pursuant to its police power. The police power, therefore, does not mandate legislation to prevent excess profits. Even if the [Public Utilities] Act's purpose were to prevent

excess profits, this would not require all subsequent regulation of public utilities to share this purpose. (Id.). (emphasis added).

With this pronouncement, the Court made clear that under alternative regulation pursuant to Section 13-506.1, earnings do not, and need not, hold the prominence once afforded them under rate of return regulation. Still further, the Court reasoned that the legislature carefully adopted and tailored Section 13-506.1 to secure affordable telecommunications services by use of competitive mechanisms in place of ROR regulation in a manner that attempts to avoid collateral effects unrelated to the legislative objective. (Id.)

The GCI is indeed correct in asserting that in determining legislative intent, it is presumed that the legislature acted with knowledge of judicial decisions concerning prior and existing law. This is a well-settled doctrine and wholly applicable to the instant setting. In OSF Healthcare Systems v. County of Lee, 607 N. E. 2d 699, 702 (2<sup>nd</sup> Dist. 1993), the court recognized that, by its reenactment of a prior statute, the legislature is presumed to have intended to adopt any clearly established judicial interpretation of that prior legislation. In light of the recent reenactment of Section 13-506.1 in its original form and the long-standing interpretation thereof outlined by the Court (which preceded such action), there is no basis for believing that an earnings analysis and reinitializing rates thereon is here appropriate.

~~There is no showing that rates are unfair, unjust or unreasonable through any type of reasoned analysis. We are only presented with the proposition that earnings are higher than initially authorized and hence rates must be unreasonable. This is neither logical nor meritorious for present purposes.~~

To be sure, eEarnings under alternative regulation are the function of a completely different set of initiatives than earnings generated under traditional regulation and must be viewed in that context. An increase in earnings was not unexpected just as a reduction in rates was expected. In a period of high overall prosperity, as was the situation in the Plan's initial term, that expectation level only increased. Given all of the coming changes in the telecommunications marketplace and the variations in the economic climate, however, we do not see AI being able to manage either costs or earnings nearly as effectively in the next term.

The reinitialization of rates is very much a form of ROR regulation. As such, it is inconsistent with the principle of alternative regulation which puts the focus on prices and not on earnings. As Staff and AI observe and the evidence shows, reinitialization carries the potential for a number of material and far-reaching consequences. Notably, reinitialization may impact negatively on the growth of competition which is one of the alternative regulation goals to be considered under the Act.

In this instance, the reinitialization proposal would effectively stop the Plan, rewind it under ROR regulation, and then run the Plan again. The irrationality of such a scenario scheme is obvious. On the basis of our review thusfar, we are inclined to ~~We~~ reject the proposal. The ~~We~~ view the CUB/AG complaint, which is based on these same underlying assertions, to also fails.

Our analysis, however, continues as we review and consider in more detail, the new statutory changes which are mentioned in the parties' arguments. In doing so, the Commission is mindful of the fact that Section 13-506.1 has not been changed under the recent legislative initiative. Other provisions, however, were enacted which are expressly and specifically directed to telecommunications carriers operating under Section 13-506.1, alternative regulation. We are compelled to consider these new directives even as we proceed pursuant to Section 13-506.1 in this matter. It is a well-settled principle that a court determines the legislature's intent by examining the entire statute and by construing each material part or section of legislation together, and not each part or section alone. Mc Namee v. Federated Equipment and Supply Co., Inc., 692 N.E. 2d 1157 (1998); Henrich v. Libertyville High School, 712 N.E. 2d 298 (1998). Hence, we will consider the just and reasonable rate pronouncement of Section 13-506.1 in relation to all of the relevant provisions that were recently enacted as both the law directs, and as the parties would have us do.

### **Section 13-502.5 Services alleged to be improperly classified**

At the start, Section 13-502.5 (a), abates all actions or pending Commission proceedings wherein it is alleged that a telecommunications carrier has improperly classified services as competitive.

As it pertains to Ameritech, (a telecommunications carrier subject to an alternative regulation plan under Section 13-506.1 as of May 1, 2001) Section 13-502.5 (b), i.e., mandates that all retail telecommunications services provided to business end users shall be immediately classified as competitive with no further Commission review.

Under this same provision, the statute directs that rates for retail telecommunications services provided to business end users with 4 or fewer access lines, are not to exceed the rates charged as of May 1, 2001, and further mandates that this restriction continue in force through to July 1, 2005. 220 ILCS 5/13-502.5 (b).

Pursuant to Section 13-502.5 (c), and again as it pertains to AI (a telecommunications carrier subject to an alternative regulation plan as of May 1, 2001), all retail vertical services are to be classified as competitive on June 1, 2003 with no further Commission review.

Near its end, Section 13-502.5 (d) proscribes that as resolution for any action or proceeding, now abated, wherein it is alleged that a telecommunications carrier has improperly classified services as competitive, the carrier subject to such action or

proceeding is liable to and shall refund \$90 million to that class or classes of its customers that were alleged to have paid rates in excess of noncompetitive rates as a result of the alleged improper classifications. Further, those services, the classification of which is at issue, are now deemed competitive or noncompetitive as per the provisions of this Section, i.e., 13-502.5.

### **Section 13-518, Optional service packages**

In Section 13-518, the General Assembly has expressed its intent to have available, unlimited local service packages at prices that will result in savings for the average customer. Given that AI provides competitive and noncompetitive services (and is subject to an alternative regulation plan under Section 13-506.1), it is required to provide, in addition to other services that it offers, certain "optional packages of services" described in this provision, for a fixed monthly rate which the Commission shall review under Article IX of the Act to determine if the rates, terms, and conditions, of the packages are fair just and reasonable. (This Commission review has not been made a part of the instant proceeding).

### **Section 13-101. Application of Act to telecommunications rates and services.**

Finally, the amendatory language to Section 13-101 provides that with respect to competitive rates and services, and the regulation thereof:

All rules and regulations made by a telecommunications carrier affecting or pertaining to its charges or service to the public shall be just and reasonable, provided that nothing in this Section shall be construed to prevent a telecommunications carrier from accepting payment electronically or by the use of a customer-preferred financially accredited credit or debit methodology. As of the effective date of this amendatory Act... Sections 4-202, 4-203, and 5-202 of this Act shall cease to apply to telecommunications rates and services. 220 ILCS 5/13-101.

We agree with Staff that the recent amendments to the Act bear significantly on, and must be factored in, any final resolution of the instant issue. Indeed, it is well established that a court must decide litigation in accordance with the law in force, at the time of its decision. *Sagittarius, Inc., v Village of Arlington Heights*. (1<sup>st</sup> Dist. 1980). Even a reviewing court must dispose of a case under the law in effect when its decision is rendered. *Premier Property Management Inc. v. Chavez*, 728 N.E. 2d 476 (2000).

The "without further Commission review" language contained in Section 13-502.5 precludes Commission action in this or any other proceeding as to the measures prescribed. 220 ILCS 5/13-502 (b);(c). Thus at this point in time and pursuant to the General Assembly's mandate, all retail business communications services are classified

as competitive. Further the rates for such services being provided to business end customers with 4 or fewer access lines are set, by statute, at the rates in place on May 1, 2001 and are required to remain so until June 1, 2005.

Under the provisions of Section 13- 502.5, which directly implicate AI, rates are being imposed by statute both outside the Plan yet with full and express knowledge that AI is subject to the Plan. We note the validity of Staff's observation that rates are being set with no mention of earnings but with an exclusive and direct focus on price.

So too, as Staff notes, AI falls under the criteria of Section 13-502.5 such that it is required to refund \$90 million to consumers of business services that may have been prematurely classified as competitive. This action, however, is not proscribed on the basis of, or with any reference whatsoever, to the Company's earnings. As AI effectively asserts, any further reductions in rates would be inconsistent with the intentions of the General Assembly as clearly reflected in the statute.

With respect to the General Assembly's concern for the average customer, AI is required to provide certain "optional packages of services" for a "fixed monthly rate" in addition to any other services it offers. The Commission is left to determine if the particular rate, terms and services are fair, just and reasonable under Article IX. Here too, the General Assembly has required action outside the Plan and not under the provisions of Section 13-506.1.

To be sure, the "just and reasonable" pronouncement in Section 13-101, which the GCI emphasize, has been taken out of context and misapplied by their abbreviated account. A fair and complete reading of the amendatory language shows that it is the rules and regulations of each and every telecommunications carrier which are now subject to this standard. As AI argued, Section 13-101 does not uniquely apply to Ameritech nor does it bear on the proper interpretation to be given Section 13-506.1. We fully agree.

In the final analysis, an earnings review and a reinitialization such as argued for by the GCI, cannot be squared with the recent classification, credit and rate- setting actions and optional service package directives of the General Assembly. Further, as we have already noted, the General Assembly reenacted Section 13-506.1 after the courts concluded that preventing excess profits, is not and need not be, the purpose of alternative regulation under Section 13-506.1. All total, a reinitialization of rates on the basis of earnings and on the record developed in this proceeding, cannot be reconciled with the recent legislative initiative.

These are the additional grounds, which sustain our rejection of the GCI/City proposal to reinitialize rates.

## VII. SERVICE QUALITY - GOING FORWARD

A critical factor for determining whether to approve or continue with a Plan is whether it will operate to maintain the quality of telecommunications services. In the Alt Reg Order, the Commission was mindful of the potential inherent in alternative regulation to allow service quality to degrade. Indeed, in light of Ameritech Illinois' recent service quality failures, the Commission remains greatly concerned with this potential. Therefore, it is incumbent upon this Commission to ensure that the service quality measures, benchmarks, and incentives that we adopt will be viable in maintaining service quality going forward.

### A. Existing Measures and Benchmarks

The Commission included eight (8) measures of service quality when it adopted the existing Plan in 1994. It set the associated benchmarks for these measures on the basis of actual, historical performance levels - with one exception. Because AI's historical performance for Out of Service Over 24 Hours ("OOS>24") generally fell short of the standard in the Commission's Part 730 rules Commission adopted the benchmark in those rules. (the 83 Ill. Admin. Code Part 730). That approach was found to be consistent with the statutory goal of maintaining service quality. (Alt Reg Order at. 58).

Staff sets out the existing service quality standards and benchmarks in the Plan:

<u>Standard</u>	<u>Code Part 730 Benchmark</u>	<u>Alternative Regulation Benchmark</u>
Percent of Installations Within 5 Days	90	95.44
Percent Out of Service Over 24 Hours	95	95.00
Trouble Reports per 100 Access Lines	6	2.66
Percent Dial Tone Within 3 Seconds	95	96.80
Operator Speed of Answer – Toll and Assistance (Seconds)	10	3.60
Operator Speed of Answer – Information (Seconds)	10	5.90
Operator Speed of Answer – Intercept	N/A	6.20
Trunk Groups Below Objecting (per year)	98%	4.50

### B. New Proposals

#### Staff and AI Position

In this proceeding, Staff has proposed that the following service quality measures be included in the Alternative Regulation Plan:

- (1) Installation Within Five Business Days,
- (2) Trouble Reports per 100 Access Lines,
- (3) Out of Service Over 24 Hours,
- (4) Operator Speed of Answer—Toll, Assistance and Information,
- (5) ~~Repeat Repair Reports,~~
- (5) ~~Repeat Repair Reports~~ Trouble Rate,
- (6) Missed Repair Appointments,
- (7) Missed Installation Appointments,
- (8) Speed of Answer—Repair Office, and
- (9) Speed of Answer—Business Office.
- (10) Calls Answered

In summary form, Staff's proposal would call for: a) the elimination of three of the existing measures (Dial Tone Within Three Seconds; Operator Speed of Answer—Intercept; and Trunk Groups Below Objective) b) the retention of three of the existing measures (1-3, above); c) the combination of two of the existing measures (4, above); and d) the adoption of five new measures (5-10, above).

The Company generally agrees with Staff's proposed service quality measures, subject to a few concerns regarding the definition or calculation of some of the benchmark. Ameritech Illinois believes that Staff's proposed measures would, if appropriately defined and combined with appropriate benchmarks, satisfy the statutory goal of maintaining service quality.

### GCI/City Position

The GCI/City Proposed that the following benchmarks be included in any alternative regulation plan approved by the Commission:

- |    |  |                     |
|----|--|---------------------|
| a. | POTS % installations within 5 days                     | 95.44%              |
| b. | Trouble reports per 100 access lines *                 | 2.66%               |
| c. | POTS % out of service for more than 24 hours *         | 5.0%                |
| d. | Operator average speed of answer—toll and assistance * | 3.6 seconds         |
| e. | Operator average speed of answer—information *         | 5.9 seconds         |
| f. | Operator average speed of answer—intercept *           | 6.2 seconds         |
| g. | Trunk groups below objective *                         | 4.5/year            |
| h. | POTS % Out of Service Over 24 Hours                    | 5.0%                |
| i. | Average Speed of Answer                                |                     |
|    | • Residential Customer Call Centers                    | 80% w/in 20 seconds |
|    | • Business Customer Call Centers                       | 80% w/in 20 second  |
|    | • Repair Centers                                       | 80% w/in 20 seconds |
| j. | % of Calls Answered                                    |                     |



	•Residential Customer Call Centers	95 %
	•Business Customer Call Centers	95 %
	•Repair Centers	95 %
k.	POTS Mean Installation Interval	4 business days
l.	POTS Mean Time to Repair	21 hours
m.	POTS % Installation Trouble Report Rate (7 days)	5%
n.	POTS % Repeat Trouble Report Rate (within 30 days)	10%
o.	POTS % Missed Installation Commitments – Company Reasons	1%
p.	POTS % Missed Repair Commitments – Company Reasons	1%
q.	POTS % Missed Installation Appointments – Company Reasons	1%
r.	POTS % Missed Repair Appointments – Company Reasons	1%

Under the GCI/City proposals: two of the existing measures would be eliminated; the remaining six measures would be retained, and ten more measures would be added. The GCI/City point out the differences between their proposals and those advanced by Staff. According to the GCI/City, their proposal adds only five measures to the four new measures proposed by Staff. The additional measures are all focused on POTS service: (1) POTS Mean Installation Interval, (2) POTS Mean Time to Repair, (3) POTS % Installation Trouble Rate (7 days), (4) POTS % Missed Installation Commitments —Company Reasons and (5) POTS % Missed Repair Commitments – Company Reasons. The only other difference between the proposals is that Staff would reduce more of the existing eight standards than GCI/City recommends and, that GCI/City witness TerKeurst proposes to disaggregate two measures, Average Speed of Answer at Business Offices and % Calls Completed at Business Offices, for residential and business customers to better monitor treatment of those customer classes.

### **C. Developing Benchmarks**

Staff and the Company generally agree that the Commission should follow the same approach to developing benchmarks that it did in the 1994 Order. For most measures, this means that benchmarks will be based on actual, historical performance. The primary differences between the Staff and Ameritech Illinois positions on benchmarks are: (1) what historical data to use in calculating the benchmark performance level, and (2) how to determine the benchmarks when only limited historical data are available or when available data reports below the standards announced in the Commission's Part 730 rules.

**AI Position**

Ameritech Illinois proposes to base new benchmarks on actual, historical data for the years 1994-99, whenever such data is available and assuming that the calculated performance level does not fall below a standard imposed by Part 730. According to AI, using five years of data fairly accounts for seasonal and year-to-year changes to produce the best available picture of the service quality levels to be maintained under the Plan.

Either Ameritech Illinois' or Staff's position would be reasonable the Company claims. Using five years of data has essentially the same purpose as eliminating the high and low data points: to moderate the impact of short-term fluctuations of the benchmarks. In AI's view, using the five years of data that it proposes, will better account for seasonal and year-to-year changes than would using two years of data.

As for new requirements, the limited data available for these measures does not establish a historical level of performance consistent with the new Part 730 rules. As a result, and to be consistent with the Alt Reg Order's treatment of another measure, i.e., 00S>24, Ameritech Illinois proposes benchmarks based on the standards in Part 730.

**Staff Position**

Staff also generally relies on historical performance data for calculating its proposed "new" benchmarks. It, however, opposes the use of a five-year average. Staff would use data for 1998-99, with the three highest and lowest data points eliminated. As Ms. Jackson testified, Staff's methodology is based on the one adopted by the Commission in the 1994 Order to calculate the Plan's existing benchmarks. Staff also notes that Ameritech considers the two-year approach to be "generally sound."

Further, Staff does not support recalculating the benchmarks for any existing service quality standards, except for the combination of the operator answer times. Staff accepts Ameritech's suggestion for a weighted average of the combination of operator answer times, if it was based on 1998 and 1999 data. (Tr. 2034 - 2035, 2041 - 2042).

AI argues that unlike the benchmarks which the Commission adopted in the 1994 Order, the GCI/City's proposed new benchmarks generally do not take into account actual, historical performance levels. Instead, AI claims, these new benchmarks are based on a smattering of internal performance targets and what Ms. TerKeurst described as "other" factors. The record, AI notes, contains no evidence that Ameritech Illinois or any other local exchange carrier has actually performed at levels sufficient to achieve those standards. Indeed, AI notes, Ms. TerKeurst conceded that she could not name a single carrier that has done so. (Tr. 2134).

**GCI Position**

The GCI/City contend that the Company's proposal to set benchmarks based on average service quality performance over the last five years is inconsistent with Ameritech Illinois' recognition of its inadequate service quality performance during several of those years. For example, Mr. Hudzik conceded that IBT's performance for Average Speed of Answer declined significantly between 1997 and mid-1999. Mr. Hudzik also stated that AI's installation and repair performance was inadequate during 1999 and 2000 and that the Company has had problems keeping repair and installation appointments. For example, the GCI/City argue that Mr. Hudzik conceded that IBT's performance for Average Speed of Answer declined significantly between 1997 and mid-1999. They claim that Mr. Hudzik also stated that AI's installation and repair performance was inadequate during 1999 and 2000 and that the Company has had problems keeping repair and installation appointments. The GCI/City believe that it is internally inconsistent for the Company to acknowledge some degradation in its service quality and then request that this degradation become the benchmark for evaluating whether service quality is maintained in the years to come.

The GCI would have the Commission adopt benchmarks based on pre-plan levels, taking into account any other relevant factors. In instances where pre-plan data is unavailable or otherwise inappropriate, GCI would have the Company's own internal targets be used. For those measures where the Company's performance during 1995-2000 is the only source available, the GCI/City contend that the benchmark should be based on the one year since the plan's inception that AI performance was best. To do as the Company and Staff recommend, the GCI/City claim, would lock in service quality standards at less-than-adequate levels.

### **Commission Analysis and Conclusion**

Pursuant to Section 13-506.1, the Commission may approve the plan or modify the plan and authorize its implementation only if it finds, after notice and hearing, that the plan or modified plan at a minimum, will meet certain standards. In particular, we note that this Section provides that such implementation or modification "will maintain the quality and availability of telecommunications services". (220 ILCS 13/506.1(b)(6)).

The statutory directive that a Plan be approved only if it will "maintain" service quality suggests the question - relative to what standard? The objective as we see it, is to have the Company maintain service quality at an acceptable level. We believe that all parties agree with this concept. It is in the application thereof that parties begin to differ.

While the Commission prefers to establish benchmarks on a case-by case basis for each of the measures adopted, as a general proposition, we believe that using five years of data better accounts for year-to-year and seasonal variations in conditions that affect service quality performance. We take note that year 2000 data is not part of any of the benchmark calculations and this is appropriate.

For any measures where inadequate data exist, or for which the existing data does not establish a level of performance consistent with equal to or exceeding the Commission's Part 730 rules, it appears reasonable to adopt the standards in the Part 730 rules. To the extent however, that any such measures or benchmarks are subject to changes increased in the pending Part 730 rulemaking proceeding i.e., Docket 00-0596, compliance with the increased new standard would be expected when the new rules take effect.

As a general observation, the use of a company's internal targets (directed to its employees) does not strike us as an appropriate standard for setting regulatory benchmarks. The premises for the former do not translate into the sound premises for the latter. The misuse of such internal targets might well have a chilling effect on a company's business practices and we believe that regulators should tread lightly in these areas.

With these concepts in mind, we turn to the various performance measure/benchmark proposals.

#### **D. The Performance Measure and Benchmark Changes**

1. **Proposed: Installation Within Five Business Days (Current)**  
**(Existing Benchmark - 95.44%)**  
 Supported by: AI, Staff and GCI

All parties agree that "Installation Within Five Business Days" (or seven calendar days) should remain as one of the service quality measures under the Plan. Both Staff and the GCI/City, however, contend that this measure should be redefined to exclude orders for vertical services.

Staff and the GCI/City contend that because the installation of vertical services is less time-consuming than installing new or additional access lines these events should not be counted in the measure. They note that vertical service orders have likely grown over time, such that the inclusion of these orders in installation data may mask additional service quality problems.

Ameritech Illinois maintains that it has always reported installation data in the same way it does today. Thus, the calculation of the existing benchmark included vertical service orders. To change the definition of the measure without adjusting the benchmark would, in effect, arbitrarily raise the standard of service reflected in the plan.

The Staff and GCI/City argue that no adjustment in the benchmark is needed, because vertical service orders would have been negligible at the time the current Plan was adopted. Ameritech Illinois, however, introduced tariff filings that demonstrated that vertical services were established long before the Plan was adopted and it contends that the vast majority of Ameritech Illinois' current vertical services were

introduced between 1974 and 1989.

While Ameritech Illinois agrees that vertical services have generally grown in proportion to total installation orders, the record does not show how fast or how extensively they have grown. As a result, AI maintains, it is not possible to conclude that such orders would have been "negligible" prior to the adoption of the current Plan. Only limited data is available for installation orders excluding vertical services and it shows that Ameritech Illinois would not have consistently achieved the 90% standard. Ameritech Illinois believes that the Commission should apply the benchmark in the Part 730 rules (90%), as it did for OOS>24 in the 1994 Order.

According to the GCI/City, the evidence shows that (1) vertical service "installations" require nothing more than a computer entry by a customer service representative; (2) demand for these services has exploded over the course of the plan, particularly since the merger with SBC and the increased marketing of vertical services like Caller ID and others, and (3) the Company's ability to meet the standard increases dramatically when vertical services are included in the computation. The GCI/City note that Staff could find no other LEC in Illinois that, before or since the Plan, has computed this measure by including vertical service requests.

In short, the GCI/City maintain that the Commission should neither lower the applicable benchmark for this measure nor should it permit the Company to include the installation of vertical services in the computation of the standard. Staff agrees on both counts.

### **Commission Analysis and Conclusion**

**Adopted: Measure No. 1 - Installation Within Five Business Days  
Benchmark - 90%-with escalations to 95.44%**

The measure for Installation Within Five Business Days is herewith defined to exclude orders that are limited to vertical services. Since the existing benchmark was calculated from data that included vertical services and we have no definitive evidence on the extent of the growth before or during the Plan term, ~~however, we believe it both necessary and fair to re-set the benchmark.~~ Available data for the measure, as we here and now define it, does not establish a performance level consistent with the standard in our Part 730 rules i.e., 90%. Therefore, consistent with our treatment of OOS>24 in the 1994 Order, we will adopt the Part 730 standard as the benchmark for this measure. ~~We will, however, require an escalation of 1% every 6 months until the benchmark reaches the desired 95.44%.~~ The GCI/City's belief that we are lowering the benchmark in response to AI's recent performance misses the point. We find it to be central to the concept of "maintaining" service quality that service quality measures and benchmarks be set consistent with the data upon which they are based. A change in the definition of a measure essentially establishes a "new" standard going forward and

thus necessitates a "new" benchmark that reasonably and rationally corresponds thereto.

(Notably, this measure of performance is addressed in the new legislation, i.e., Section 13-712.)

- 2. Proposed: Trouble Reports per 100 Access Lines (Current)**  
**(Existing Benchmark - 2.66 )**  
 Supported by: AI, Staff, and GCI

All parties favor retention of the existing measure and benchmark for Trouble Reports per 100 Access Lines.

### **Commission Analysis and Conclusions**

**Adopted: Measure No. 2 - Trouble Reports per 100 Access Lines**  
**Benchmark - 2.66**

The Commission determines that the existing measure and benchmark will be retained.

- 3. Proposed: Out of Service Over 24 Hours ("OOS>24") (Current)**  
**(Existing benchmark - 5%)**  
 Supported by: AI, Staff, and GCI

All parties favor retention of the measure for OOS>24, along with the existing benchmark of five percent. The GCI/City, however, question whether Ameritech Illinois may have overstated "Act of God", i.e., weather exclusions, by removing trouble reports attributable to unusually severe weather from the numerator, but not the denominator, in the OOS>24 calculation.

Ameritech Illinois maintains that its method of calculating weather exclusions is entirely consistent with past practice, and it is entirely appropriate. As Mr. Hudzik testified, Ameritech Illinois has calculated and reported its OOS>24 data consistently since well before the current Plan was adopted. He indicates that the exclusion of weather-related troubles from the denominator in the equation "would artificially reduce the total number of troubles, essentially implying that [the weather-related troubles] did not exist." That would be inappropriate, as the additional troubles caused by weather remain a part of the workload. As a result, no change in Ameritech Illinois' reporting for OOS>24 is appropriate. AI would have the Commission consider the issue in the pending Part 730 rulemaking proceeding.

It is irrelevant, the GCI/City claim, that the Company has been calculating the OOS>24 measure a certain way for a long time if the methodology is incorrect. There is no doubt, they contend, that excluding weather-related outages from the numerator (which represents the number of outages that exceeded 24 hours) and then dividing

that number by a figure that represents the total of all outages (*including* weather-related outages) decreases the resulting OOS>24 percentage. AI's methodology, which inappropriately underreports the extent to which the Company failed the OOS benchmark, is consistent with the economic incentives to calculate the OOS>24 measure in manner that minimizes penalties. The GCI/City ask the Commission to counter this incentive and adopt Ms. TerKeurst's recommendation to exclude outages associated with "acts of God" from the denominator, as they already are in the numerator.

### Commission Analysis and Conclusion

**Adopted : Measure No. 3 Out of Service Over 24 Hours  
(Benchmark - 95%)**

The existing measure and benchmark will be retained. For the moment given the limited input, comparison and other analyses on this question, we will not require any change in the manner in which "Act of God" (weather) exclusions are calculated and reported. We will, however, address that very issue in Docket 00-0596. Hence, we direct Ameritech Illinois to calculate and report weather exclusions consistent with the outcome of that proceeding and as soon as new Part 730 rules become effective. The GCI/City's arguments on exceptions do not persuade us to do otherwise.

- 4. Proposed: Operator Speed of Answer—Toll, Assistance  
(Existing benchmark - 3.6 seconds)  
and  
Operator Speed of Answer, - Information (Current/Combined)  
(Existing benchmark - 5.9 seconds)  
Combination supported by: AI, Staff, ~~with new benchmark 5.61 or 5.65~~. Opposed by: GCI**

Staff proposes to combine the existing measures and benchmarks for Operator Speed of Answer—Toll and Assistance, and Operator Speed of Answer—Information. Staff witness Jackson testified that the existence of two standards for operator services is "unduly burdensome." (Staff Ex. 9.0, p. 26). Ameritech Illinois concurs with Staff's view that retaining separate benchmarks for the operator assistance measures would not be warranted, especially where Operator Speed of Answer has not been a problem since the adoption of the Plan.

The GCI/City oppose Staff's position based on witness TerKeurst's testimony that combining the measures may encourage Ameritech Illinois to increase the time taken to answer toll and assistance calls. It is undeniable, the GCI/City claim, that from a mathematical perspective combining the measures and benchmarks permits the Company to permit answer times for Toll and Assistance calls to lengthen. The GCI/City urge the Commission to retain the Operator Average Speed of Answer – Toll

and Assistance, and Operator Average Speed of Answer – Information, measures and their corresponding benchmarks as separate service quality criteria.

According to AI, Ms. TerKeurst's position is speculative because there is no evidence that combining the existing measures would result in performance falling below appropriate levels. Indeed, Ameritech Illinois maintains, it has met the benchmarks for both Toll and Assistance and Information calls consistently and by increasing margins over the term of the Plan. (Staff Ex. 8.0, Attach. 8.01). Further, AI argues, any increases in answer times would be reflected in the overall average, so Ameritech Illinois' ability to prioritize one set of calls over the other would be very limited.

As to the benchmark for the combined measure, Ameritech Illinois calculated a weighted average of the existing benchmarks, using 1994-2000 data to compare the number of Information calls to the number of Toll and Assistance calls. The combined benchmark, based on that calculation, is 5.61 seconds. Staff agrees that a weighted average would most accurately determine the combined benchmark, but prefers a calculation on the basis of 1998-99 data. The combined benchmark, based on Staff's approach, is 5.65 seconds.

#### **Commission Analysis and Conclusion**

**Adopted: Measure No. 4 - Operator Speed of Answer-Toll, Assistance and Information.  
Benchmark - 5.65 seconds**

The Commission accepts Staff's proposal to combine the two existing measures into a single measure. We reject GCI's suggestion that Staff's proposal would allow declining performance for one type of calls to offset improvements for another. We find no basis to support this concern. To the contrary, Ameritech Illinois has met the existing benchmarks consistently and by increasing margins throughout the life of the Plan. The benchmark for this measure is set at 5.65 seconds as Staff recommends.

**5. Proposed: Repeat Trouble Rate Repair. (New)  
(a) Installation; (b) Repair  
(Benchmark not established)  
Supported by: AI, Staff, and GCI/City**

The parties agree that Repeat Trouble Rate Repair should be included among the service quality measures in the Alternative Regulation Plan. Repeat troubles are cases of trouble within 30 days after a previous trouble report at the same customer location. AI explains that repeat troubles do not necessarily reflect a repetition of the same type of problem.



Ameritech Illinois proposes that the Commission adopt a measure for Repeat Trouble Rate (Repair) only and it further proposes a benchmark of 13.92%, based on data from 1994-99.

Staff suggests a clarification to AI's definition of Repeat Trouble Rate as "cases of trouble within 30 days after a previous trouble report at the same location" to further specify "at the same location and on the same line." (Staff Reply Brief at 58). Staff also appears to recommend a measure and benchmark that would combine "installation" repeat troubles and "repair" repeat troubles. Its witness, Ms. Jackson, initially proposed a single measure for repeat repairs, which she identified as troubles "within 30 days" of previous trouble. In its Brief, however, Staff clarified that its proposed measure includes both installation and repair repeat trouble reports. Staff proposes a benchmark of 14% for its combined repair and installation repeat rate based on the 1998-99 data for Repeat Trouble Rate (Repair).

As AI witness Hudzik explained, however, the measure and benchmark described in Ms. Jackson's testimony represent only the repair repeat trouble rate. Installation repeats are captured by an entirely separate measure, which tracks trouble reports within 7 days (not 30) of installation. As a result, AI maintains, there is no way to combine the two measures.

The GCI/City propose that repeat reports for both installation and repair be included in the Plan and propose two separate measures, with a benchmark of 5% for installation repeats and 10% for repair repeats.

Ameritech Illinois opposes Staff's and GCI's proposals. Ameritech Illinois did not believe that repeat reports for either installation or repair need to be included in the Commission's service quality measures noting however, that customers are more sensitive to repair repeats, because they have already experienced one instance of trouble. If such a measure is to be adopted, Ameritech Illinois contends that the applicable penalty should be split between installation and repeat troubles, consistent with Staff's proposal for a single, combined benchmark. For "installation" repeats, Ameritech Illinois proposes a benchmark of 16.90%, based on data from 1996-99. Ameritech Illinois further notes that, if Staff's benchmark calculation methodology is to be adopted, the necessary monthly data for installation repeat reports for 1998-99 could be provided through a post-record data request. Those data are not currently in the record.

The Company opposes the benchmarks suggested by GCI/City for both repair and installation repeat reports. AI notes that the GCI/City's proposed "repair" repeat benchmark (10%) was based on the Company's internal performance target. That target, AI maintains, has seldom, if ever, been attained. In fact, ARMIS data shows that very few LECs have achieved repair repeat trouble rates of 10%. (Am. Ill. Ex. Cox Cross 7). And, AI maintains the GCI/City proposed "installation" repeat benchmark (5%) reflects the Company's performance for an entirely different measure, i.e., New

Circuits Failed, which is clearly separate and distinct from the installation repeat rate.

The GCI/City recommends that AI's "internal" target level of 10 percent be adopted as a benchmark. According to the GCI/City, the 13.92% AI proposed benchmark relies on data taken *during* the plan. With no data available prior to 1995 there is no basis upon which to conclude that AI's performance between 1995 and 1999 is as good as it was prior to the adoption of the price cap plan. The Company's complaints that use of internal benchmarks is inappropriate because they are viewed as difficult objectives designed to stretch the capabilities of AI employees is not persuasive to GCI/City. According to the GCI/City, Mr. Hudzik testified that AI has met its own internal service quality benchmarks, and even modified them to a stricter level to inspire improved performance.

If the Commission, however, were to decide on a historical performance-type benchmark, the GCI/City contend that the Company's performance during the best year for which data is available – the 12.63 percent achieved in 1997 – should be adopted as an interim benchmark for this measure, with the Company's own internal benchmark of 10% phased in by the second year of the plan.

**Commission Analysis and Conclusion**

**Adopted:** Measure No. 5 Repeat Trouble Rate Installation.  
Benchmark - Installation (16.90%)  
-Measure No. 6 Repeat Trouble Rate Repair (13.92%)  
Benchmark - (13.92%)

We adopt Staff's proposal to include in the Plan a repeat trouble measure reflecting both installation and repair repeat rates. The Commission defines Repeat Trouble Rate - Repair as any trouble report filed within thirty (30) days after the closing of a previous trouble report filed by the same customer on the same line. The Commission defines Repeat Trouble Rate - Installation as any trouble report filed within seven (7) days after the completion of a regular service installation. Because these measures are incompatible, we cannot blend the two benchmarks. Thus, we will set separate benchmarks and assign separate penalties. We adopt Ameritech Illinois' proposed benchmark of 13.92% for Repeat Trouble Rate (Repair), based on 1994-99 data. We adopt Ameritech Illinois' proposed benchmark of 16.90% for Repeat Trouble Rate (Installation), based on data from 1996-99.

We reject GCI's proposed benchmarks which are urged upon us again in Exceptions. (GCI/City Br. on Exceptions at 60). Once again, we remain unconvinced of the propriety of setting benchmarks based on internal targets especially where they are inconsistent with actual operating performance. In any event we are persuaded that, for Repeat Trouble Rate (Installation), GCI has relied upon the wrong internal target.

**6. Proposed: Missed Installation Commitments. (New)**  
**(No benchmark established)**  
 Supported by: AI, Staff. GCI/City

The parties generally agree that some measure of missed installation commitments (or appointments) should be included in the Plan. The only issues raised at hand concerns the appropriate definition and benchmark for the such measure.

AI notes that missed installation commitments or appointments measures are not currently in the Plan. For its own purposes, however, Ameritech Illinois tracks installation "commitments." AI explains that, a commitment is met when the necessary work is completed within the time committed to the customer. It does not track whether a technician appears at the customer's premises at a particular time as this type of event Ameritech Illinois would call an "appointment". AI informs us that data is available for all installation commitments (whether or not field visits were required) from 1996 to the present, and beginning in 2000, further separated out for those commitments requiring field visits. Ameritech Illinois proposes a benchmark of 2.08% for all commitments, based on actual, historical performance for the years 1996-99.

Staff accepts AI's definition of "Missed Repair Commitments" as a measure of whether a repair has been completed on time and including both field and non field visits. Staff would clarify however, that "completed" on time means the time committed to the customer and within the OOS > 24 hour requirement. Once again, based on historical data for the years 1998-199 Staff recommends a benchmark of 6.4%.

Staff contends that "Missed Installation Commitments" should be defined as installation or transfer of plain old telephone (POTS) service, meaning no vertical services, and include both field and non-field visits, with the completion of work at a committed (field visit not required) or at an appointed (field visit required) time. (Staff Reply Brief at 57). According to Staff, AI evidence provides historical data for Missed Installation Appointments that includes field and non-field visits and excludes vertical services. On the basis of this data for the 1998 and 1999 historical period, Staff recommends a benchmark of 6.2% (Staff Reply Brief at 58; Staff Initial Br. on Exceptions at 24)).

The GCI/City propose that two, separate measures be adopted: one for missed installation "commitments" (which GCI equates with all commitments) and another for "appointments" (which GCI equates with field visits commitments). They proposed a benchmark of one percent for each of these measures, based on the Company's internal performance target for Missed Installation Commitments (All Commitments).

The GCI/City claim that the Company's own data provides support for Ms. TerKeurst's recommendation that the benchmark for % POTS Installation Commitments be set at 1%, i.e. AI's "internal" benchmark. Based on data in its NARUC report, the Company's POTS % of Missed Installation Commitments Due to Company Reasons ranged between about 1.18 percent and 1.72 percent in 2000. In the event that the Commission concludes that actual performance should be used for purposes of computing benchmarks, despite the absence of pre-plan data, the GCI/City contend that Ms. TerKeurst's alternative benchmark of 1.32 percent, based on year 1999 performance, should be adopted.

According to the GCI/City, Company witness Hudzik admitted that he had conducted no specific analysis to determine whether weather or economic conditions were particularly unusual in 1999 or any other year. (Tr. at 1837-1839.) Hence, if historical data taken during the life of the plan is used, the GCI/City claim, it should come from the one year in which performance for that measure was at its best in order to prevent a degradation of service quality under the new plan.

Ameritech Illinois argues that GCI's proposal is based on a fundamental misunderstanding of the measures it has proposed. Those measures do not track commitments requiring field visits separately from those that do not. Both the FCC and the NARUC data upon which GCI witness TerKeurst relies reflect total installation commitments, including both those that require field visits and those that do not. The

only available data that separately track installation commitments requiring field visits are the data Ameritech Illinois began to provide to Staff in 2000.

Ameritech Illinois also argues that internal goals do not provide appropriate bases for benchmarks. Such goals do not reflect actual, historical performance and the adoption of such goals as regulatory requirements would have the effect of encouraging the Company to minimize its internal performance goals, rather than striving for excellence. Ameritech Illinois also notes that GCI applied the wrong internal target to this measure. The actual internal target for Missed Installation Commitments (Field Visit) was five percent, AI claims, not one percent.

AI considers Ms. TerKeurst's alternative best year of performance benchmarks as equally flawed. This of approach, AI maintains, reflects "exactly the type of picking and choosing that would clearly be inappropriate" for determining service quality benchmarks. Choosing the single best year for a benchmark fails to account for year-to-year variability in factors such as weather and economic conditions that can very substantially affect service quality data. AI witness Mr. Hudzik explained that "it is necessary to consider both enough data and a consistent pool of data, so that a full range of conditions is reflected in the resulting benchmarks."

Data is available for all installation commitments (whether or not field visits were required) from 1996 to the present, and separated out for commitments requiring field visits beginning in 2000. Ameritech Illinois proposed a benchmark of 2.08% Missed Installation Commitments, for all commitments, based on actual, historical performance for the years 1996-99. According to AI, no installation commitment data is currently available excluding vertical services. However, Part 730 of the Commission's rules AI contends, provides a benchmark of 90% for "regular service" commitments met. 83 Ill. Admin. Code § 730.540(c). Staff also supported that standard in the ongoing Part 730 review in Docket 00-0596. Therefore, if the Commission wishes to adopt a measure that would exclude vertical services, Ameritech Illinois advocates a benchmark of 90% installations to exclude vertical service orders, completed within the time committed. That benchmark, AI maintains, would be subject to any changes in the standard in the pending proceeding.

Based on historical data from 1998 and 1999, Staff proposes a benchmark of 6.2%, for Missed Installation Commitments (Field Visit). In the alternative, and again based on 1998-99 data, Staff proposed a benchmark of 1.4% for Missed Installation Commitments (All Commitments). (Staff Reply Brief at 57).

**Commission Analysis and Conclusion****Adopted: Measure No. 67. - Missed Installation Commitments  
Benchmark - 90%**

This is a new measure of performance. ~~Consistent with our finding on the definition of Installation Within Five Business Days, the Commission defines "installation" in these premises to exclude orders limited to vertical services. The Commission reasons that the standards is met when the necessary work, field and non-field visits, are completed within the time committed or appointed to the customer. Consistent with our finding on the definition of Installation Within Five Business Days, the Commission defines "installation" in these premises to exclude orders limited to vertical services.~~ The limited data available for this measure, under such definition, AI claims, does not establish a historical performance level consistent with the standard in our Part 730 rules. Those rules require that 90% of all "regular service" installations be completed within the time committed. See, 83 Ill. Admin. Code §730.540(c). As a result, we will adopt the standard in the Part 730 rules, again subject to any changes in that benchmark that may result from our review of the service quality rules in Docket 00-0596.

~~We question Staff's benchmark proposal of 6.2% and request clarification in its Exceptions Brief. We reject the GCI/City proposed measures and benchmarks for missed installation "commitments" and "appointments." It appears that GCI misunderstands the definitions of the measures upon which it bases its proposal. We also reject GCI's proposed benchmarks, which are based on internal Company service quality goals. We agree with Ameritech Illinois that internal stretch goals are not appropriate for use as regulatory benchmarks. As we noted several times, a company may want to and should be able to better employee performance without regulatory interference and misuse. It further appears that GCI has applied the wrong internal targets for these measures, even if internal targets were otherwise appropriate as benchmarks.~~

**7. Proposed: Missed Repair Commitments (New)  
-(No Benchmark established)  
Supported by: AI, Staff, and GCI/City.**

Staff's proposal to include a new measure and benchmark for Missed Repair Commitments raises issues similar to those for Missed Installation Commitments. Unlike installation commitments, however, data is separately available for repair commitments requiring field visits, back to 1995.

Ameritech Illinois concurs with Staff's proposed measure and, on the basis of its historical performance for the years 1995-99, recommends a benchmark of 9.58% for Missed Repair Commitments (Field Visit). ~~Staff contends that "Missed Installation Commitments" should be defined as installation or transfer of plain old telephone~~

~~(POTS) service, meaning no vertical services, and include both field and non-field visits, with the completion of work at a committed (field visit not required) or at an appointed (field visit required) time. (Staff Reply Brief at 57). According to Staff, Al evidence provides historical data for Missed Installation Appointments that includes field and non-field visits and excludes vertical services. On the basis of this data for the 1998 and 1999 historical period, Staff recommends a benchmark of 6.2%. (Staff Reply Brief at 58.) Staff accepts Al's definition of "Missed Repair Commitments" as a measure of whether a repair has been completed on time and including both field and non-field visits. Once again, based on historical data for the years 1998-1999 Staff recommends a benchmark of 6.4%.~~

The GCI/City propose a benchmark of one percent (1%) for Missed Repair Commitments based on Ameritech Illinois' own internal target for Missed Installation Commitments (All Commitments). In the alternative, they propose that performance for the single best year (6.35%) be applied as an "interim" benchmark, changing to one percent (1%) in the second year of the Plan. Al provided no data for this measure for years preceding the adoption of the price cap plan, and in the GCI/City's view, the Commission cannot be certain that adoption of a benchmark based on even the best year under alternative regulation will result in the maintenance, as opposed to the degradation, of service quality for this measure. It notes that the Company's internal target of 5% for this measure is markedly worse than its established target for Missed Installation Commitments. According to these Intervenor, this difference suggests that the Company places a higher priority on installing new service than repairing existing service.

Al again contends that internal targets do not provide appropriate service quality benchmarks under an Plan. Further, Al claims, Ms. TerKeurst erroneously applied the target for all installation commitments (whether or not a field visit is required) to repair commitments that require field visits. This, Al notes to be a complete mismatch. Al explains that the internal target for Missed Repair Commitments (Field Visit) actually was 5%, and not 1%—entirely consistent with the target for Missed Installation Commitments (Field Visit).

If the Commission concludes that a benchmark based on historical data should be adopted even in the absence of 1990-1994 data, the GCI/City recommend that the best year for which data is available, 6.35 percent achieved in 1999, be adopted as an interim benchmark, with the 1% target phased in by the second year of the plan.

### **Commission Analysis and Conclusions**

**Adopted: Measure No. 7.8. - Missed Repair Commitment  
Benchmark - 6.4%**

The Commission adopts the proposed measure for repair commitments requiring field visits. That measure better reflects repair performance in the field and would

exclude all (or virtually all) troubles affecting only vertical services.—We adopt Staff's proposed benchmark of 6.4%, based on historical performance for 1998-1999. We adopt Ameritech Illinois' proposed benchmark of 9.58%, based on historical performance for the years 1995-99.

We reject the GCI/City's proposed benchmark of one percent, which is based on the Company's internal performance target for Missed Installation Commitments (All Commitments). As noted earlier, we do not consider internal targets to be the appropriate source for setting regulatory benchmarks. Here, we further note that GCI has applied the wrong internal target.

**8. Proposed: Average Speed of Answer—Repair (New)**  
**(No benchmark established)**  
Supported by: AI, Staff, and GCI/City

The parties agree that answer time for repair offices should be included in the service quality measures in the Plan.

As for the benchmark, Ameritech Illinois proposes that the Commission adopt the newly effective Part 730 standard, i.e., an average of 60 seconds for all calls. The limited data available shows that while Ameritech Illinois has recently performed at a level consistent with the Part 730 benchmark, it has not yet done so consistently. Therefore, AI contends the 60-second average required by Part 730 should be applied.

Staff initially proposed that the Commission adopt a benchmark of 80% of calls answered within 20 seconds. In rebuttal testimony, however, Staff witness Jackson stated that she would reconsider her proposal in light of additional historical data to be provided by Ameritech Illinois. In its Reply Brief, Staff made clear that it now agrees with AI's proposal.

The GCI/City propose a standard of 80% answered within 20 seconds, based on the Company's internal performance target. Ameritech Illinois notes that GCI's proposal lacks either a historical performance record or a Commission rule to support it. As a result, it cannot be said to "maintain" any recognized level of performance, and it is therefore inconsistent with the Act and the 1994 Order.

The problem with the 60-second benchmark, the GCI/City claim, is that it relies on data derived *during* the price cap plan and thus, is not suitable for determining whether the plan will maintain service quality. While the Company's contends that use of internal benchmarks is inappropriate because these are difficult objectives designed to stretch the capabilities of IBT employees, the GCI/City are not persuaded. They assert that AI witness Hudzik testified that IBT has met its own internal service quality benchmarks, and even modified them to a stricter level to inspire improved performance. (Tr. 1842, 1856-1858).



If, however, the Commission determines that a historical standard should be used, the GCI/City recommend the adoption of a 45.8 second benchmark for repair centers, which represent the Company's best annual average performance during the life of the plan.

### **Commission Analysis and Conclusions**

**Adopted: Measure No. 89. - Average Speed of Answer—Repair  
Benchmark -60 seconds**

The Commission adopts a measure for Average Speed of Answer—Repair. We set a benchmark of 60 seconds average answer time for this measure as proposed by AI and supported by Staff. The GCI/City's benchmark proposals are not appropriately derived.

**9. Proposed: Average Speed of Answer—Customer Calling  
Centers (new)  
(No Benchmark established)  
Supported by: AI, Staff, and GCI**

The parties agree that answer time for business offices should be included in the service quality measures in the Plan. Staff proposes and Ameritech Illinois agrees, that a single measure should be adopted to reflect both residence and business calling centers. The GCI/City, on the other hand, propose that separate answering time measures should be adopted for residential and business Customer Calling Centers.

AI contends that the GCI/City's proposal is inconsistent with the manner in which business office answering time is defined in Part 730. To be sure, AI claims, the Commission's rules provide a single, combined measure and benchmark for both residence and business Customer Calling Centers. (See, 83 Ill. Admin. Code § 730.510(c).) In addition, a single measure is fully adequate to track business office answering time. Adopting two measures would over-emphasize answering time in the context of the overall service quality component of the Plan. If both measures were to be adopted, AI proposes that the Commission split the relevant penalty between the two measures.

Ameritech Illinois proposes a benchmark of 60 seconds average answering time, consistent with the Part 730 rules and Staff agrees. The GCI/City would recommend a benchmark of 80% of calls answered within 20 seconds, based on an internal performance goal.